

M COM DEGREE (CSS) EXAMINATION (2021 ADMISSION ONWARDS)

Second Semester – Faculty of Commerce

Elective - Finance

CM010201 ADVANCED CORPORATE ACCOUNTING

MULTIPLE CHOICE QUESTIONS

1. The Profit and Loss Account under Double Account System is termed as
 - a. **Revenue Account**
 - b. Income and Expenditure Account
 - c. Profit & Loss Account

2. Share Forfeited Account is shown on:
 - a. Credit side of the Net Revenue Account
 - b. **Credit side of the Receipts and Expenditure on Capital Account**
 - c. Liability side of the General Balance Sheet

3. Original cost of an asset is Rs.1,00,000. Present cost of its replacement is Rs.1,30,000. The amount spent in its replacement is Rs.1,52,000. The amount to be capitalized will be
 - a. **Rs.22,000.**
 - b. Rs.1,52,000
 - c. Rs.1,30,000

4. Cost of licence appears in
 - a. Revenue Account
 - b. **Capital Account**
 - c. General Balance sheet

5. On replacement of an asset any amount realized on account of sale of old material is credited to
 - a. Asset Account
 - b. Revenue Account
 - c. **Replacement Account**

6. Preliminary expenses Account is shown on:
 - a. Assets side in the general balance sheet
 - b. Debit side of the Net Revenue Account
 - c. **Credit side of the Receipts and Expenditure on Capital Account**

7. Under double account system, the amount to be written off when an asset is replaced is debited to ----- account
 - a. **Revenue**
 - b. Capital
 - c. Profit & Loss

8. The way of presenting the Balance sheet in two parts is called-----
 - a. **Double Account System**
 - b. Double Entry System
 - c. Single Entry System

9. In case of electricity companies, Contingency Reserve is created until it amounts to ----- of the original cost of fixed assets.
- 10%
 - 6%
 - 5%**
10. ----- Reserve is created out of profits in excess of the reasonable return earned by an electric undertaking and can be utilized when clear profit is less than the reasonable return.
- Development
 - Tariff and Dividend Control**
 - Contingency
11. The difference between the total income and the total expenditure plus specific appropriations is
- Normal profit
 - Super profit
 - Clear Profit**
12. Public utility concerns prepare their financial statements under
- Double Entry System
 - Single Entry System
 - Double Account System**
13. Liquidator's Final Statement of Account is prepared:
- Only in case of members' voluntary winding up
 - Only in case of compulsory winding up
 - In all modes of winding up**
14. Debenture holders having a floating charge on assets have priority in payment over
- Secured creditors
 - Unsecured creditors**
 - Preferential creditors
15. In case a company being liquidated is solvent, the interest on debentures is paid up to the date of
- Commencement of winding up
 - Balance sheet preparation's date
 - Payment of debentures**
16. Amount due to the Government for purchase of goods is an example of
- Preferential creditors
 - Unsecured creditors**
 - Secured creditors
17. List H shows ----- account
- Preferential creditors
 - Unsecured creditors
 - Deficiency or Surplus**

18. When a company is wound up, all persons who ceased to be the shareholders within a year before the winding up are placed in the -----
- A list of contributories
 - B list of contributories**
 - Creditors
19. Calculate liquidator's remuneration from the following information: Assets realized: Rs. 18,90,000 including cash balance : Rs.90,000. Liquidator's remuneration :2% on the assets realized.
- Rs.36,000**
 - Rs.37,800
 - Rs.39,600
20. Liquidation of a company can take place:
- When the company is insolvent
 - When the company is solvent
 - Under both the cases**
21. Voyage account is a ----- account
- Personal
 - Real
 - Nominal**
22. The amount spent on fuel, coal, diesel and fresh water used for the purpose of voyage is
- Port charge
 - Stevedoring charge
 - Bunker cost**
23. The charge paid for loading and unloading cargo on and from the ship
- Port charge
 - Stevedoring charge**
 - Bunker cost
24. ----- is calculated as a percentage of freight earned by the shipping company
- Address commission**
 - Brokerage
 - Insurance
25. ----- charges are paid to the port authorities for allowing the ship to use port for loading and unloading of cargo.
- Port**
 - Bunker cost
 - Stevedoring
26. The amount charged by the shipping company from the cargo owners for the cargo loaded on the ship is
- Fright**
 - Passage money
 - Primage

27. Passage money is treated as -----in voyage account
- Income**
 - Expense
 - Loss
28. Voyage account is prepared to ascertain profit from ----- by shipping company
- All ships owned
 - A particular voyage**
 - None of the above
29. Underwriting account is a
- Real account
 - Personal Account
 - Nominal account**
30. The underwriter has to take shares or debentures, the amount paid will be----- to the underwriting account
- Debited**
 - Credited
 - None of these
31. The commission due to sub-underwriter will be ----- to the underwriting account
- Debited**
 - Credited
 - None of these
32. The amount of shares or debentures transferred to sub-underwriter will be ----- to underwriting account
- Debited
 - Credited**
 - None of these
33. The commission received by the underwriter from the company will be ----- to underwriting account
- Debited
 - Credited**
 - None of these
34. A company that holds majority share in the ownership capital in another company is
- Joint stock company
 - Subsidiary company
 - Holding company**
35. Which section of the Companies Act 2013 defines a subsidiary company
- Section 2(87)**
 - Section 2(86)
 - Section 2(88)

36. Which section of the Companies Act 2013 prohibits a subsidiary company from holding shares in the holding company
- Section 18
 - Section 19**
 - Section 20
37. Before the introduction of Ind AS 110 non - controlling interest is known as
- Minority interest**
 - Majority interest
 - None of the above
38. The excess price paid by the holding company more than the paid-up value of the shares in subsidiary company is
- Goodwill**
 - Capital reserve
 - Profit
39. Profit of the subsidiary company made after the date of the purchase of shares by the holding company are treated as
- Revenue profit**
 - Capital profit
 - None of the above
40. While preparing consolidated balance sheet, common transactions appearing in both the balance sheets of the holding company and the subsidiary company should be
- Included
 - Eliminated**
 - None of the above
41. When a subsidiary company has acquired some shares in its holding company, it is known as
- Reciprocal holding**
 - Intra holding
 - Minority holding
42. Under section 210 of the Companies Act,2013, members of the holding company can apply for -
----- of affairs of the subsidiary company
- Investigation**
 - Investment
 - Interest
43. Profit arising on revaluation of assets of the subsidiary company at the time of acquisition of shares in the subsidiary company is treated as-----profit by the holding company
- Revenue
 - Capital**
 - Normal

44. Issue of bonus shares out of pre-acquisition profits or reserves of the subsidiary company will have -----on the Consolidated Balance Sheet
- Effect
 - No effect**
 - None of the above
45. Issue of bonus shares out of post- acquisition profit will have-----on the consolidated balance sheet
- Effect**
 - No effect
 - None of the above
46. While preparing a consolidated balance sheet the internal contingent liability should be
- Shown by way of a separate note
 - Eliminated**
 - None of the above
47. While preparing a consolidated balance sheet the external contingent liability should be
- Shown by way of a separate note**
 - Eliminated
 - None of the above
48. Profit or loss on revaluation of the assets and liabilities of the subsidiary company at the time of acquisition of shares in the subsidiary company is treated as
- Capital profit or capital loss**
 - Revenue profit or revenue loss
 - None of the above
49. Dividend received by the holding company from capital profits of the subsidiary company are credited to
- Investment account**
 - Surplus account
 - Profit and loss account
50. Dividend received by the holding company from revenue profits of the subsidiary company are credited to
- Investment account
 - Surplus account**
 - Profit and loss account
51. Dividend received by the holding company from capital profits of the subsidiary company are ---
-----to Investment account
- Debited
 - Credited**
 - None of the above

52. Dividend received by the holding company from revenue profits of the subsidiary company are -
----- to Surplus Account
- Debited
 - Credited
 - None of the above**
53. The amount of interim dividend paid by subsidiary company during the accounting year is to be added to
- Revenue profit**
 - Capital profit
 - Normal profit
54. The published accounts of electricity companies are to be drawn up in accordance with the requirements of
- Companies Act 1956
 - Companies Act 2013**
 - None of the above
55. Statements I and II resemble the ----- under the double account system
- Capital account**
 - Cash account
 - Assets account
56. Statements III and IV resemble the ----- under the double account system
- Revenue account**
 - Profit and loss account
 - Capital account
57. Statements X resemble the ----- under the double account system
- Net revenue account**
 - Revenue account
 - Capital account
58. Under double account system depreciation is charged according to
- Straight line method**
 - Reducing balance method
 - None of the above
59. Service line contributions are -----contributions under double account system
- Capital**
 - Revenue
 - None of the above
60. CERC stands for
- Central Electricity Regulatory Commission**
 - Central Electricity Regulatory Committee
 - Central Electronic Regulatory Commission

61. Which section of the Code states that no person to function as insolvency professional agency without valid certificate of registration
- Section 19** which section of the Code states the code of conduct of every insolvency profe9
 - Section 198
 - Section 197
62. Which section states the Principles governing registration of Insolvency Professional Agency
- Section 200**
 - Section 201
 - Section 199
63. Which section provides the functions of Insolvency Professional Agencies
- Section 203
 - Section 204**
 - Section 205
64. Which section of the Code states the code of conduct of every insolvency professionals
- Section 207
 - Section 208**
 - Section 209
65. The adjudicating authority shall, with in -----days from the date of submission of the report under section 99 pass an order either admitting or rejecting the application
- Fourteen**
 - Fifteen
 - Thirty
66. When the application is admitted under section 100, a moratorium shall commence in relation to all the debts and shall cease to have effect at the end of the period of -----days
- 150
 - 180**
 - 12
67. The adjudicating authority shall issue a notice within seven days of passing the order under section 100 inviting claims from all creditors within ----- days of such issue
- 15
 - 30
 - 21**
68. A creditor shall----- --to vote in respect of a debt for an unliquidated amount
- Not be entitled**
 - Be entitled
 - none of the above

69. Which section states the approval of repayment plan by creditors
- Section 110
 - Section 111**
 - Section 112
70. Section 119 of the Code deals with
- Discharge order**
 - Repayment plan
 - Report of meeting of creditors
71. Section 111 of the code deals with
- Approval of repayment plan by creditors**
 - Report of meeting of creditors
 - Order of adjudicating authority on repayment plan
72. Section 114 of the code relates to
- Approval of repayment plan by creditors
 - Report of meeting of creditors
 - Order of adjudicating authority on repayment plan**
73. Implementation and supervision of repayment plan is stated in
- Section 116**
 - Section 117
 - Section 118
74. Completion of repayment plan is stated in
- Section 116
 - Section 117**
 - Section 118
75. Repayment plan coming to end prematurely is stated in
- Section 116
 - Section 117
 - Section 118**
76. Liquidator's remuneration is ----- in liquidator's final statement of account
- Debited
 - Credited**
 - None of the above
77. Amount realized on sale of assets is -----in liquidator's final statement of account
- Debited**
 - Credited
 - None of the above
78. Contributions made by the contributories is -----in liquidator's final statement of account
- Debited**
 - Credited
 - None of the above

79. Cost of winding up is----- in liquidator's final statement of account
- Debited
 - Credited**
 - None of the above
80. Payment of preferential creditors----- in liquidator's final statement of account
- Debited
 - Credited**
 - None of the above
81. ----- of the Companies Act,2013 makes provisions for overriding preferential payment
- Section 326**
 - Section 325
 - Section 327
82. Salaries due to the director is
- Preferential creditors
 - Not Preferential creditors**
 - None of the above
83. Which company can be wound up voluntarily
- Solvent company**
 - Insolvent company
 - Both a & b
84. Modes of winding up of a company is explained in which section of Companies Act,2013
- 270**
 - 271
 - 272
85. When an underwriter agrees to buy a definite number of shares or debentures in addition to the shares or debentures he has to take under the underwriting agreement
- Firm underwriting**
 - Partial underwriting
 - Complete underwriting
86. In which type of underwriting the underwriters get priority over the general public, if shares or debentures are oversubscribed
- Firm underwriting**
 - Partial underwriting
 - Complete underwriting
87. Even if the issue is over subscribed, the underwriters are liable to take up the agreed number of shares or debentures
- Firm underwriting**
 - Partial underwriting
 - Complete underwriting

88. The underwriting commission is only payable if the shares or debentures are
- Offered to the general public**
 - Privately placed
 - None of the above
89. As per SEBI guidelines underwriting is mandatory for minimum subscription of
- 90%**
 - 95%
 - 85%
90. Brokerage is fixed at -----per cent in respect of all types of public issue of industrial securities
- 1.5**
 - 2.5
 - 5.0
91. The term liquidation is applicable in case of
- Individuals
 - Partnership firms
 - Joint stock companies**
92. As the consequence of winding up the power of the board of directors will cease and will vest with
- The liquidator**
 - Creditors
 - Shareholders
93. Fraudulent trading is explained in
- Section 66**
 - Section 65
 - Section 67
94. Adjudicating authority for individuals and partnerships are stated in
- Section 179**
 - Section 180
 - Section 181
95. Section 181 of the Code deals with
- Appeal to debt recovery appellate tribunal**
 - Appeal to supreme court
 - Expeditious disposal of applications
96. Section 182 of the Code deals with
- Appeal to debt recovery appellate tribunal
 - Appeal to supreme court**
 - Expeditious disposal of applications

97. Section 183 of the Code deals with
- a. Appeal to debt recovery appellate tribunal
 - b. Appeal to supreme court
 - c. Expeditious disposal of applications**
98. Appeal to debt recovery appellate tribunal is under
- a. Section 181**
 - b. Section 182
 - c. Section 183
99. Appeal to supreme court is under
- a. Section 181
 - b. Section 182**
 - c. Section 183
100. Expeditious disposal of applications is stated in
- a. Section 181
 - b. Section 182
 - c. Section 183**

